

Retailers are prohibited from advertising or holding out that they will absorb the purchaser's Use Tax obligation. See 86 Ill. Adm. Code 150.515. (This is a GIL).

April 27, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated April 8, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Enclosed please find a copy of a sale bill which a client of mine has forwarded to me for my review. Their concern with this sale bill relates to the language at the beginning which states that no sales tax will be made on any purchase.

It is our understanding that this is not proper practice in that a merchant cannot advertise that no sales tax will be paid on any purchase. We would appreciate your opinion as to the legality of this statement on the sale bill.

We look forward to your response.

Section 7 of the Use Tax Act, 35 ILCS 105/7, provides that it is unlawful for any retailer to advertise or hold out or state to the public or to any purchaser, consumer or user, directly or indirectly, that the tax or any part thereof imposed by Section 3 of the Use Tax Act will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold, or if added that it or any part thereof will be refunded other than when the retailer refunds the selling price and tax because of the merchandise's being returned to the retailer or other than when the retailer credits or refunds the tax to the purchaser to support a claim filed with the Department under the Retailers Occupation Tax Act or under the Use Tax Act. See, also, the enclosed copy of 86 Ill. Adm. Code 150.515. Any person violating any of these provisions within Illinois is guilty of a Class A misdemeanor.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

ST 99-0140-GIL

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.